Management is the art of getting things done through people.
        - Mary Parker Follete

Nature of Management
1. Management is multi-disciplinary
2. Universal application
3. Dynamic nature of Principles of management
4. Decision Making
5. Management Principles are relative and not absolute
6. It is a Discipline/Career/Profession
7. Management is a Science and an Art as well

Important Characteristics of Management
1. It should be stable
2. It should be applicable to all kinds of organizations
3. It is transparent
4. Its approaches are very clear and goal oriented
5. It should be simple yet effective
6. It should be responsive to economic, technological, social, political factors that affect the areas of operation
7. It should have well defined goals
8. It should have good planning, organizing, staffing, directing and controlling functions

Functional areas of Management
1. Planning

Setting future objectives and listing necessary tasks to achieve those objectives.
2. Organizing

Determines how the financial, physical, informational, and technical resources are taken into consideration to perform a task and achieve the desired goal.
3. Staffing
4. Directing
5. Controlling

The management function that compares it to listed objectives and take care of necessary changes and monitors the progress

Roles of Manager
1. The figurehead role (performing ceremonial and social duties as the organization's representative)
2. The leader role
3. The liaison role (particularly with outsiders). The recipient role/ Monitoring role (receiving information about the operation of an enterprise)
4. The disseminator role (passing information to subordinates)
5. The spokesperson role (transmitting information to those outside the organization).
6. The negotiator role

Planning

Any planning involves four essential qualities:

1. It must contribute to accomplish purpose or objective.
2. It must be considerate as parent exercise in all process.
3. It must spread through all management functions, and
4. It must be efficient in such a manner so as to achieve the designed goal at the least cost.

Importance of Planning

Planning is important because:

1. It overcomes uncertainty and changes and minimizes risk. It provides:
   - ✓ Vital role in decision making in complex situation.
   - ✓ Logical facts and procedures.
2. It facilitates effective control:
   - ✓ Sets goals, targets and means to accomplish the goals.
   - ✓ Goals or plans become Standards or Bench marks.
3. It focuses attention and concentration only on the objective of enterprise:
   - ✓ Helps manager and entire organization to work, focus on goals and activities of organization.
4. It makes economic operation and leads to success:
   - ✓ Does not ensure success, but leads to success.
   - ✓ Plan in advance ☐ no confusion in achieving goals.
5. It forms the bridge between the present and future:

Purpose of Planning

1. Allows decisions to be made ahead of time.
2. Permits anticipation of consequences.
3. Provides direction and a sense of purpose.
4. Provides a unifying framework; avoiding piecemeal decision making.
5. Helps identify threats and opportunities and reduces risks.
6. Facilitates managerial control through the setting of standards for monitoring and measuring performance.

Types of Plans :

Plans can be classified as

1. Missions or purposes
2. Objectives or goals
3. Strategies
4. Policies
5. Procedures
6. Rules
7. Programs
8. Budgets

Steps involved in Planning Process

1. Being Aware of Opportunities
2. Establishing Objectives
3. Developing Premises
   Premises: Assumptions about the environment in which the plan is to be carried out.
   Principle of planning premises: The more thoroughly individuals charged with planning understand and agree to utilize consistent planning premises, the more coordinated enterprise planning will be.
4. Determining Alternative Courses
5. Evaluating Alternative Courses
6. Selecting a Course
7. Formulating Derivative Plans, and
8. Quantifying Plans by Budgeting

ORGANISING

Staffing

- Filling, and keeping filled, positions in the organization structure.
- Staffing is concerned with ensuring that the organization has the right number of people and the right kind of people at the right places, at the right time and that they are doing the right things.

Importance of Staffing

1. Helps in discovering and obtaining competent personnel for various jobs.
2. Makes for higher performances, by putting right person on the right job.
3. Ensures the continuous survival and growth of the enterprise through the succession planning for managers.
4. Improves job satisfaction and morale of employees through objective assessment and fair reward for their contribution.
5. Its purpose is to enable every human being working in the organization to make best possible contribution.

Sources of Selection

The source of selection may be
a) Internal Source: It is done by either promotion or transfer within the org.
b) External Source: It is done by recruitment outside the org.

Selection

People are selected according to specification and qualification set earlier.

Recruitment

✓ It means identifying the sources of required personnel and inducing people to apply for jobs in the organization.
✓ It is the process of searching for prospective employees and stimulating them to apply for jobs in the organization.

Selection

Selection is the process of choosing and appointing the right candidates for various job positions in the organization. In other words, it is the process of choosing from among the pool of the prospective job candidates developed at the stage of recruitment.

Techniques of Selection

1. Application Bank:
   - ✓ Filling application by candidate in detail like personal details, qualification, specialization, experience etc.
   - ✓ The applications are carefully scrutinized by company & then called for interview.
2. Preliminary or initial Interview:
   - ✓ It is most important means of evaluating the candidate. It used to obtain the basic information about candidate.
3. Interview:
   - ✓ Most reliable & valid selection techniques that decides about accepting or rejecting a candidate. There are two types of interview i.e.
       a) Structured/ Directive Pattern:
   - ✓ In this a list of questions based on job specification is prepared in advanced. The candidate is supposed to answer the asked questions only.
       b) **Unstructured/ Non-directive Pattern:**
   - ✓ Instead of many questions to answer, the interviewer creates a permissive atmosphere in which candidate talks usually about the experiences, aspirations, fear, weakness etc. this type of interview requires high degree of interviewing skills, so it is usually done by trained interviewer.
4. Group Discussion:
   - ✓ In this the candidates are grouped together in a group of 6-8 people for informal discussion and the selectors observe them & evaluate.
   - ✓ Two types of GD namely
       i. One where the problem is given to a group.
       ii. Each individual is given an initial position and supplied with supporting information to defend his position.
5. Employment Tests:
   - ✓ Important to check the nature & abilities of candidate. Some of the different type of tests are:
       i. Aptitude Test
       ii. Interest Test
       iii. Intelligence Test
       iv. Trade or performance/ Achievement Test
       v. Personality Test.
6. Checking Reference:
   - ✓ Checking the details given by the candidates.
7. Physical Test/ Medical Examination
8. Final Interview.

DIRECTING

Directing is telling people what to do & seeing that they do it to the best of their ability
   - Ernest Dole

Principles of Direction

1. **Harmony of Objectives:**
   - ✓ For org to function well, the goals of company & goals of individuals are in complete harmony.
2. **Unit direction of Command:**
   - ✓ An employee should receive orders & instructions only from one supervisor.
3. **Efficiency:**
   - ✓ Supervisor consulting subordinates in decision making improves sense of commitment, thus making direction easy and efficient.
4. **Direct Supervision:**
   - ✓ Manager should have face-to-face contact with the subordinates.
5. **Effective Communication:**
   - ✓ Supervisor must have good communication skills so that plans, goals, policies, responsibilities & the duties are communicated properly.
6. **Effective Control:**
   - ✓ The management should monitor the behavior and performance of subordinates to exercise effective control over subordinates.
7. **Follow Through:**
   - ✓ Having given the directions may not ensure carrying out them. Hence manager should follow through the performances of the subordinates. Follow up is very important function of direction.

Motivation

Motivation is the willingness of a person to exert high levels of effort to satisfy some individual need or want.

McGregor's Theory X and Y

Two sets of assumptions about the nature of people. These two sets of assumptions obviously are fundamentally different.
- Theory X is pessimistic, static, and rigid. Control is primarily external, imposed on the subordinate by the superior.
- Theory Y is optimistic, dynamic, and flexible, with an emphasis on self-direction and the integration of individual needs with organizational demands.

Theory X Assumptions

The "traditional" assumptions about the nature of people, according to McGregor, are included in Theory X as follows :
1. Average human beings have a inherent dislike of work and will avoid it if they can.
2. Because of this human characteristic of disliking work, most people must be coerced, controlled, directed, and threatened with punishment to get them to put forth adequate effort toward the achievement of organizational objectives.
3. Average human beings prefer to be directed, wish to avoid responsibility have relatively little ambition, and want security above all.

Theory Y Assumptions

McGregor sees the assumptions under Theory Y as follows :
1. The expenditure of physical and mental effort in work is as natural as play or rest.
2. External control and the threat of punishment are not the only mean for producing effort toward organizational objectives. People will exercise self-direction and self-control in the service of objectives to which they are committed.
3. The degree of commitment to objectives is proportion to the size of the rewards associated with their achievement.
4. Average human beings learn, under proper conditions, not only to accept responsibility but also to seek it.
5. The capacity to exercise a relatively high degree of imagination and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population.
6. Under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilized.

Theory X

People are lazy
People lack ambition
Dislike responsibility
People are self-centered
People don't like change

Theory Y

People are energetic
People want to make contributions
People do have ambition
People will seek responsibility

Maslow's Hierarchy of Needs Theory

- When one set of needs is satisfied, this kind of need ceases to be a motivator.

The Needs Hierarchy

The basic human needs placed by Maslow in an ascending order of importance and shown in figure 1 are :

- ➢ Physiological needs (85%)
- ➢ Security, or safety, needs (70%)
- ➢ Social needs (50%)
- ➢ Esteem needs (40%)
- ➢ Need for self-actualization (10%)
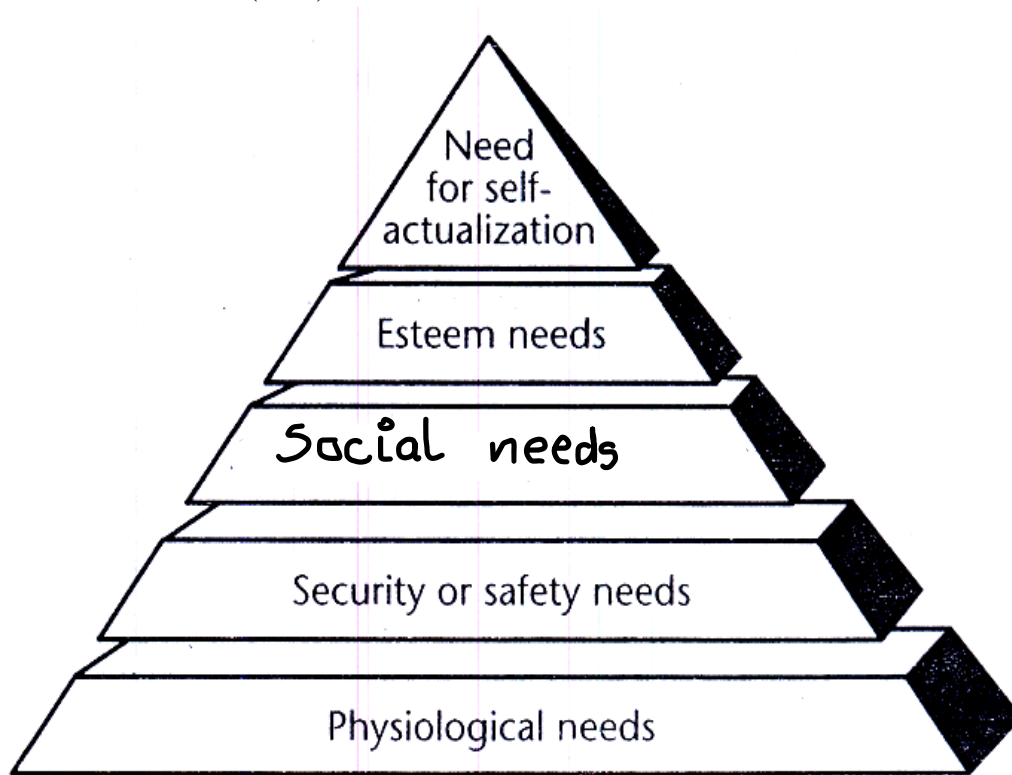
Physiological needs
- ➢ Includes need for food, water, sex, shelter and clothing.
- ➢ For human who lacks all these amenities physiological needs is a must,

Security or Safety needs
- ➢ Needs for protection against danger or loss of physiological needs

Social needs
- ➢ Giving and receiving love, friendship, affection.
- ➢ If first 2 levels are well satisfied, then people will definitely approach for interaction.

Esteem needs
- ➢ Classified in 2 subsets
  1. Need for independence
  2. Need for self-growth

Self-actualization
- ➢ 5th and highest level in hierarchy
- ➢ Need to realize one's true potential and desire to become what one is.

LEADERSHIP
Leadership is a process by which individuals are influenced so that they will be prepared to participate in the achievement of organisational or group goals.

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IMPORTANCE OF TRAINING
1. Training can increase productivity and efficiency.
2. It can also provide greater consistency and make it easier to meet organizational goals and project outcomes.
3. enhance employee performance
4. reduce employee turnover
5. improve company culture

TRAINING METHODS (pg 246-247)
1. On-the-job Training
2. Simulators and Training Aids
3. Programmed Instruction

Entrepreneurship
Entrepreneur is one who always searches for changes, responds to it and exploits it as an opportunity
- Peter. F. Drucker.

Characteristics Of Successful Entrepreneurs
1. **Passion & Motivation:**
   - ✓ Is there something you can work on over and over again without getting bored?
   - ✓ Is there something that keeps you awake because you have not finished it yet?
   - ✓ Is there something you have built and want to continue to improve upon, again and again?
   - ✓ Is there something you enjoy the most and want to continue doing to the rest of your life?
2. **Risk Taking:**
   - ✓ Successful entrepreneurs are willing to risk time and money on an uncertain future, but also keep resources and make plans to deal with unknown problems.
   - ✓ Is the risk worth the cost of your career, time and money?
   - ✓ What will you do if this venture does not pay off?
3. **Self-belief and Hard Work:**
   - ✓ Successful entrepreneurs believe in themselves and enjoy what they do. • Can you focus and have faith in your ideas?
   - ✓ Can you demonstrate discipline and dedication despite detractors?
4. **Adaptability & Flexibility:**
   - ✓ Successful entrepreneurs welcome all suggestions for optimization or customization that enhances their offering and satisfies market and customer needs.
   - ✓ Can you be flexible in adapting to dynamic markets and changing customer needs?
5. **Understand the Market:**
   - ✓ Successful entrepreneurs know their market and their product inside and out.
   - ✓ Can you stay aware of changing market needs, competitor moves, and other external factors to avert failure?

6. **Money Management:**
   - ✓ Successful entrepreneurs realize money management is mandatory and plan for present and future obligations.
   - ✓ Can you handle keeping sufficient cash flows after becoming operational?
7. **Planning:**
   - ✓ Successful entrepreneurs make plans as much as possible but maintain a mindset and temperament for dealing with unforeseen possibilities.
   - ✓ What are your time and money targets? Are they feasible?
8. **Networking Abilities:**
   - ✓ build networks to seek valuable advice.
   - ✓ Can you create a network to tap for solutions?
9. **Being Prepared to Take the Exit:**
   - ✓ Not every attempt ends in success. Successful entrepreneurs know when to cut their losses and try something different rather than continue to lose money in a failing venture.
   - ✓ Can you leave a venture if it fails?
10. **Self-doubt, but not too much:**
    - ✓ Successful entrepreneurs do gut checks.
    - ✓ Can you do this? • Do you want this?

STAGES OF EVOLUTION OF ENTREPRENEURSHIP

The evolutionary process of entrepreneurship activities may be divided in to the following broad stages:

1. Hunting Stage:

- The primary stage of the evolution of the economic life of man was hunting stage.
- Wants were limited and very few in numbers.
- The family members themselves satisfied problems of food, clothing and shelter. Producers were the consumers also.
- Robinson Crusoe, living in the deserted island, satisfying his own requirements had no knowledge of business. People in some parts of Africa and India still lead this type of life. In this stage problems of production and distribution were not complex since wants were simple and limited.

2.Pastoral Stage:

With the progress of mankind gradually mental understanding developed and people started realizing that instead of killing animals, they should breed and rear them. Thus cattle breeding encouraged the use of milk, and they had to think in terms of grazing areas for their cattle. The surplus milk, meat and other related products were spared of exchange. This stage can be termed as the first stage of economic development and the beginning of commerce.

3. Agricultural Stage:

In search of grazing areas, they further realized that they should grow plants as food for animals. They started testing some grain products and slowly developed a taste in plants and the land was used for cultivation. Groups of persons started living together on their agricultural fields, which were subsequently converted into small villages with their farms. Free exchange of goods was started and the activities were also divided to the extent of division of labor at the village level to complement the needs of each other. Initially each village was self-sufficient, but later they began small trading activities on barter basis

4. Handicraft Stage:

In the agricultural stage, people started learning the use of cloth made of cotton products, and they developed the segments of the workers for different activities. Cottage scale setup was developed at the village level to nearby villages, and in exchange they brought requirements either to consume themselves or for their village friends. Since the demand for gold coins, silver coins, skin etc increased the activities of cobblers, gold smiths, and blacksmiths, laborers also rapidly increased, and caste system was also formed on the basis of activities they did. Every body selected their job according to their own choice and taste

5. Present Industrial Stage:
The use of mechanical devices and the commonly acceptable form of monetary system accelerated the growth of entrepreneurship activities. The progress of science and the increase in the means of transportation and communication enabled to travel widely and the markets were developed in the country and abroad

The functions performed by an entrepreneur are
1. Idea generation and scanning of the best suitable idea.
2. Determination(finding)of the business objectives.
3. Market research and Product analysis.
4. Determination of the form of organization.
5. Raising the necessary funds.
6. Procuring machine and material.
7. Recruitment of men.
8. Undertaking the business operations

Types of Entrepreneur
1. Innovative Entrepreneur
- He is a person who
i) introduces new goods
ii)Inaugurates new method of production and
iii)Develop the existing Enterprise.

2. Imitative Entrepreneur
- These persons will adopt the successful innovations inaugurated by innovative Entrepreneurs.
- These type of Entrepreneurs will adopt the techniques and technology innovated by others.

3. Drone Entrepreneur
- These are characterized by refusal to adopt to opportunities to make changes in production even at the cost of severely reduced returns relative to other like products.
- Such Entrepreneurs may suffer from losses but not ready to make
Changes in their existing production methods.

4. Fabian Entrepreneur
- These are the type of persons who take great caution in experimenting any change in their enterprise.
- They will imitate only when it becomes clear that the change will result in profits.

Stages in Entrepreneurial process:
1. Identification of opportunity
2. Evaluation of opportunity
3. Preparation of business plan
4. Organizing the resources
5. Management of Enterprise

1. Identification of opportunity
- ✓ This is the first step in Entrepreneurship process
- ✓ It starts with identification of an opportunity which may be his own idea or from outside sources like business associates, independent technical organizations, consumers etc.
- ✓ An Entrepreneur identifies the need of the product from distributor, retailer or directly with consumer.

2. Evaluation of opportunity
- ✓ Here the Entrepreneur evaluates the given the opportunity.
- ✓ It means here the Entrepreneur will assess whether the specific product or service provides sufficient return on investment.
- ✓ The evaluation process involves
  1) Length of opportunity
  2) Its risks and returns
  3) Its competitiveness in the present market.
- ✓ It involves SWOT Analysis.
- ✓ Here strength and weakness are internal factors, opportunities and threats are external factors.
- ✓ Finally, by revaluating the opportunities the Entrepreneur will decide whether to go for it or not.

3. Preparation of Business Plan:
- ✓ The business plan contains the following in order

1) Title of the project
2) Description of business/industry
3) Technology plan
4) Financial plan
5) Organizational plan
6) Production and operation plan
7) Marketing and Distribution plan.

✓ Here a good BP is essential for the success of Enterprise.

4. Determination and Organizing the Resources:
✓ This process starts with assessment of present resources
✓ Here the number and nature of resources required to run the enterprise is planned.

5. Management of Enterprise:
✓ After the arrangement of resources these resources are used to implement the BP.
✓ The management should be able to manage the operational problems of a growing enterprise.
✓ Hence in the Entrepreneurial process a mgmt with all functions like planning, organizing, staffing, directing, and controlling is required.

Creativity and Innovation

Creativity
The ability to develop new ideas and to discover new ways of looking at problems and opportunities.

Innovation
The ability to apply creative solutions to those problems and opportunities in order to enhance people"s lives or to enrich society.

Creative problem solving methods
1. Heuristics
- Derived from ancient Greek = find or discover
- Any approach to problem solving, learning or a discovery.
- Employs a practical method not guaranteed to be optimal or perfect but sufficient for immediate goals.
- Derived from previous experiences with similar problems.
- Most fundamental is trial and error.
- Examples : rule of thumb, an educated guess, stereotyping, profiling or a common sense.

2. Brainstorming
- " The best way how to have a good idea is to have many ideas"
Alex F. Osborne, 1939
    method of thinking up solutions, concepts, ideas in problem solving
    using the brain to storm new ideas in groups
    "It is easier to tone down a wild idea than to think up a new one."

3. Synetics